

Transitional Aid Application for Calendar Year 2017
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by March 24, 2017 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2017-4 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7 of the Local Finance Notice.

Name of Municipality:	City of Salem			County:	Salem
Contact Person:	David Crescenzi			Title:	CFO
Phone:	856-935-0372	Fax:	935-6360	E-mail:	salemcf@cityofsalemnj.gov

I. Aid History

List amount of Transitional Aid received for the last three years, if any:

CY 2016	CY 2015	CY 2014
\$1,130,000	\$300,000	\$0

II. Aid Request for Application Year: (All municipalities currently operating under a Transitional Aid MOU are advised that a decrease from prior year funding is likely.)

Amount of aid requested for the Application Year:	\$1,130,000
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2017-4.




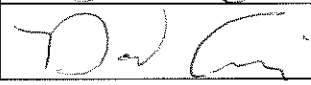
III. Submission Requirements

The following items must be submitted with, or prior to, submission of this application. Indicate date of submission of each.

Item	Date Submitted to DLGS
2016 Annual Financial Statement	Feb. 10, 2017
2015 Annual Audit	Sept. 19, 2016
2015 Corrective Action Plan	Nov. 21, 2016
Application Year Introduced Budget	March 20, 2017
Budget Documentation Submitted to Governing Body	March 1, 2017

IV. Application Certification

The undersigned herewith certify that they he or she has reviewed this application and, to his or her knowledge, believe the contents to be accurate true and represent it accurately portrays the circumstances regarding the municipality's fiscal practices and need for financial assistance. By submitting the application, the municipality acknowledges that the law provides that the decision of the Director regarding aid awards is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		3-22-17
Governing Body Presiding Officer		3-22-17
Chief Financial Officer		3-22-17
Chief Administrative Officer		3-22-17

V-A. Explanation of Need for Transitional Aid

Explain the circumstances that require the need for Transitional Aid in narrative form. Include factors that result in a constrained ability to raise sufficient revenues to meet budgetary requirements, and if such revenues were raised, how it would substantially jeopardize the fiscal integrity of the municipality.

See Attachment A

V-B. Demonstration of Revenue Loss/Substantial Cost Increase

Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenue line items; and (2) specific, extraordinary increases in appropriations, but not as the aggregate of many appropriation line items. Describe the item on the cell below each entry. If applicable, indicate in the description of the extraordinary increase in expenditure if the increase was the result of a policy decision made by the municipality (i.e. a back-loaded debt service schedule, deferred payment, costs associated with additional hires, etc.)

Revenue or Appropriation	2016 Value	2017 Value	Amount of Loss/Increase
Revaluation Principal	0	\$64,000	\$64,000
Description:			
Receipt for Delinquent Taxes	\$668,957	\$573,957	\$95,000
Description:	City did not sell many liens at tax sale		
Municipal Court	\$65,130	\$50,000	\$15,130
Description:			
Liability Insurance	\$263,900	\$283,538	\$19,638
Description:			
Overexpenditure	\$8,451.78	\$293,931.02	\$285,479.24
Description:	DOT Grant overspent, offset with excess note cash of \$250,138		
Description:			
Description:			

V-C. Actions to Reduce Future Need for Aid

Detail the steps the municipality is taking to reduce the need for aid in the future. Include details about long-term cost cutting and enhanced revenue plans, impact of new development, potential for grants to offset costs, and estimated short and long-term annual savings. Use additional pages if necessary. (Items included in a Transition Plan submitted by a current recipient need not be repeated here.)

See Attachment B

Application Year: CY 2017	Municipality: Salem City	County: Salem
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V-D. Discussion of Health Benefits

Skip this section if using SHBP. If not using SHBP, explain why the health benefit plan being used is cheaper, or what reasons exist for failing to move to SHBP. Additionally, list all brokers (primary broker or risk manager, all co-brokers, and sub-brokers) together with their compensation for the current and prior two fiscal years. Compensation must be disclosed in this section whether provided directly by the municipality or as a commission from the insurance provider. It is the municipality's right, and obligation, to determine whether the broker is compensated with commission in order to fully complete this section. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual \$ value of the commission received in each year.

City participates in the SHBP

Application Year: CY 2017	Municipality: Salem City	County: Salem
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VI. Historical Fiscal Statistics

Item	2015	2016	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.947	\$2.028	\$3.751
Municipal Purposes tax levy	\$4,362,062.72	\$4,374,080.88	\$4,649,200.38
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$8,117,174.05	\$8,289,962.22	\$8,719,298.26
2. Cash Status Information			3yr average 86.22
% Of current taxes collected	83.17%	81.71%	%
% Used in computation of reserve	87.42%	84.88%	82.13
Reserve for uncollected taxes	\$1,091,002.63	\$1,310,916.39	\$1,571,946.08
Total year end cash surplus	\$(83,660.17)	\$63,624.43	
Total non-cash surplus	\$72,394.87	\$39,092.50	
Year end deferred charges	\$(155,945.64)	\$359,092.50	
3. Assessment Data			
Assessed value (as of 1/10)	\$223,962.56	\$215,567,834	\$123,956,510 reval
Average Residential Assessment	\$97,652.56	\$95,383.56	\$45,740
Number of tax appeals granted	122	237	
Amount budgeted for tax appeals	\$0.00	\$0	\$0 In reval contract
Refunding bonds for tax appeals	\$0.00	\$0	\$0
4. Full time Staffing Levels			
Uniformed Police - Staff Number	14	15	15
Total S&W Expenditures	\$1,568,689.96	\$1,153,654.49	\$1,700,000.00
Uniformed Fire - Staff Number	Volunteer	Volunteer	Volunteer
Total S&W Expenditures	\$0.00	\$0.00	\$0.00
All Other Employees - Staff Number	21	21	20
Total S&W Expenditures	\$1,164,559.04	\$977,811.78	\$886,679.00
5. Impact of Proposed Tax Levy			Amount
Current Year Taxable Value			\$123,956,510
Introduced Tax Levy			\$4,649,200.38
Proposed Municipal Tax Rate	3.751	Average Res. Value (#4 above)	\$45,740
Current Year Taxes on Average Residential Value (#4 above)			\$1,715.71
Prior Year Taxes on Average Residential Value			\$1,614.16
Proposed Increase in average residential taxes			\$101.55

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VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2017
100%

A1. Most current equalized ratio

B. Proposed Budget – Appropriation Cap Information

Item	Yes	No
1. Was an appropriation cap index rate ordinance adopted last year? If YES: % that was used	X	
2. Amount of appropriation cap bank available going into this year	3.5%	
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance	\$203,648.92	
4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap? If YES, amount:	X	
	\$	
		X
	\$	

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Overexpeniture DOT Grant	\$8,451.78	\$293,931.02	\$285,479.24
Revaluation Principal	0.00	\$64,000.00	\$64,000.00
Housing Inspections & Permits	\$8,500.00	\$45,500.00	\$37,000.00
Liability Ins	\$263,900.00	\$283,538.00	\$19,638.00
Social Security	\$152,300.00	\$169,000.00	\$16,700.00

D. List all new property tax funded full-time positions planned in the Application Year:

Department/Agency	Position	Number	Dollar Amount
	None		

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- E. Display projected tax levies, local revenues (not grants), anticipated (gradually reduced) Transitional Aid, total salary and wages, and total other expenses projected for the three post-application years:

	Tax Levy	Local Revenues	Transitional Aid	Total S&W	Total OE
First year	\$4,743,000	\$4,270,000	\$830,000	\$2,450,000	\$2,790,000
Second year	\$4,835,000	\$4,570,000	\$530,000	\$2,400,000	\$2,680,000
Third year	\$4,930,000	\$5,000,000	\$100,000	\$2,390,000	\$2,690,000

VIII. Financial Practices

A. Expenditure controls and practices:

Question	Yes	No
1. Is an encumbrance system used for the current fund?	X	
2. Is an encumbrance system used for other funds?	X	
3. Is a general ledger maintained for the current fund?		X
4. Is a general ledger maintained for other funds?		X
5. Are financial activities largely automated? If so, please identify system being used. Edmunds	X	
6. Does the municipality operate the general public assistance program?		X
7. Are expenditures controlled centrally (Yes) or de-centrally by dept. (No)?	X	
8. At any point during the year are expenditures routinely frozen?	X	
9. Has the municipality adopted a cash management plan?	X	
10. Have all negative findings in the prior year's audit report been corrected?		X
If not, be prepared to discuss why not in your application meeting.		

B. Risk Management: Indicate ("x") how each type of risk is insured.

Coverage	JIF/HIF	Self	Commercial
General liability	X		
Vehicle/Fleet liability	X		
Workers Compensation	X		
Property Coverage	X		
Public Official Liability	X		
Employment Practices Liability	X		
Environmental	X		
Health	SHBP X		

C. 1) Salary and Employee Contract Information (when more than one bargaining unit for each category, use average):

Question	Police	Fire	Other Contract	Non-Contract
Year of last salary increase	2017	Volunteer	2017	2012
Average total cost percentage increase	1.5%	%	1.5%	1.75%
Last contract settlement date	Nov. 23, 2015	Volunteer	Dec. 12, 2015	
Contract expiration date	Dec. 31, 2018	Volunteer	Dec. 31, 2019	

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2) Explain, if any, actions that have been taken or are under consideration for the Application Year:

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)				
Wage Freezes (describe below)				Yes
Layoffs (describe below)				

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2016 budget? If not, please include a letter from the tax collector explaining why he/she failed to complete the sale in a timely manner and what the impacts were on cash flow and lost investment earnings.		
2. When was the last foreclosure action taken or tax assignment sale held: Date:	June 20, 2016	
3. On what dates were tax delinquency notices sent out in 2016: Date:	May 15, Sept 15, Nov 15	
4. Date of last tax sale: Date:	June 29, 2016	

E. Specialized Service Delivery:

If the answer to either question is "Yes," provide (as an appendix) a cost justification of maintaining the service without changes.

Service	Yes	No
Sworn police or firefighters are used to handle emergency service call-taking and dispatch (in lieu of civilians)		X
The municipality provides rear-yard solid waste collection through the budget		X

F. Other Financial Practices

1. Amount of interest on investment earned in:

2015	\$19.77	2016	\$3.33	Anticipated Application Year:	\$0.00
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2. List the instruments in which idle funds are invested:

Checking Accounts	

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3. What was the average return on investments during 2016?

0%

4. Left Blank Intentionally

5. The name and firm of the municipality's auditor?

Bowman and Company

6. When was the last time the municipality changed auditors?

January 1, 2004

G. Status of Collective Negotiation (Labor) Agreements: List each labor agreement by employee group, contract expiration date, and the status of negotiations of expired contracts.

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
FOP	Dec. 31, 2018	
Blue Collars Workers	Dec. 31, 2019	
Crossing Guards CWA (New 2017)	No Contract	Meetings are being scheduled.

H. Tax Abatements. Please provide a detailed discussion of any short-term or long-term tax abatements that are currently in place or are currently being negotiated including the following information:

Project Name/Property	Type of Project	2016 PILOT Billing	2016 Assessed Value	2016 Taxes If Billed in Full at 2016 Total Tax Rate	Term of Tax Abatement
Harvest Point Block 106 lot 3	Affordable Housing	\$337,459	\$11,811,800	\$462,550	30 years
Senior Village Block 57 Lot 15	Sr Citizen Housing	\$16,500	\$5,544,545	\$217,124	30 years
County 5 Star Block 13 Lot 1	Commercial Stores	Pilot Expired	Going to tax as Added /	Omitted	Expired 2016

IX-B. List actions that limited or reduced Other Expense costs: i.e., reductions, changes, or elimination of services, procurement efficiencies or restraint. Include changes in spending policies that reduce non-essential spending.

[illegible]

IX-C. Evaluate existing local revenues, as to whether or not the rates or collections can be increased or imposed, and if so, how changes will be implemented.

Local Revenues and services provided through the General/Current Fund	Check if services is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	<input checked="" type="checkbox"/>	NO	\$15,000	Poor Community.
Sewer Fees	<input checked="" type="checkbox"/>	Yes		
Water Fees	<input checked="" type="checkbox"/>	Yes		
Swimming Pool	<input checked="" type="checkbox"/>	No	\$5000	School Board provides funding through literacy programs. Also receive donations to offset costs.
Uniform Construction Code	<input type="checkbox"/>	State of NJ		
Uniform Fire Code	<input type="checkbox"/>	State of NJ		
Land Use Fees	<input type="checkbox"/>			
Parking Fees	<input checked="" type="checkbox"/>			
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	<input type="checkbox"/>			
Land Use Escrow fees for independent contractors	<input type="checkbox"/>			
Trash Removal	<input checked="" type="checkbox"/>	No	\$50,000	Sell \$1 trash sticker for 33 gallon bag.
Abandoned Property Reg. Fee	<input checked="" type="checkbox"/>	Yes		Anticipate \$98,000 in 17 to cover \$37,000 cost program costs.

X. Service Delivery

List all services that the municipality contracts to another organization: i.e., shared services with another government agency, including formal and informal shared services, memberships in cooperative purchasing program, private (commercial), or non-profit organization.

[illegible]

Section XI – Impact of Limited or No Aid Award

Describe in complete detail the actual impact if aid is not granted for the current fiscal year; **this priority setting requires that the municipality will maintain a minimum level of essential services.** List the appropriate category of impact if the aid is not received. Rank each item from both lists as to the order in which elimination will take place. If across the board cuts will be made, indicate under service. **For rank order purposes, consider the two sections as one list. The cuts outlined here are one that the municipality is committing to make if they do not receive aid.**

Rank Order	Department	# of Layoffs	Effective Date	2014 Full Time Staffing	2015 Full Time Staffing	\$ Amount to be Saved

If services will be reduced, describe the service, impact and cost savings associated with it.

Rank Order	Service	Cost Savings	Impact on Services
1	Recreation OE	\$15,000	Cancel Programs

XII. Agreement to Improve Financial Position of Municipality

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a new Memorandum of Understanding will need to be signed. Please mark each box below indicating that the applicant understands, and agrees to comply with these broad reporting and oversight provisions.

	Yes	No
1. Allow the Director of Local Government Services to assign management, financial, and operational specialists to assess your municipal operations.	X	
2. Implement actions directed by the Director to address the findings of Division staff.	X	
3. Enter into a new Memorandum of Understanding and comply with all its provisions, without exception.	X	

XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2016 MOU and is moving in good faith to correct those area of noncompliance that have been identified, including, but not limited to, the following: establishment of a pay to play ordinance; termination of longevity pay for officers and employees not contractually entitled to longevity pay; termination of health benefits for part time officers and employees; receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Mayor: Charles W. [Signature] Date: 3-21-17
 Chief Financial Officer: [Signature] Date: 3-21-17
 Chief Administrative Officer: [Signature] Date: 3-21-17

XIV. CAMPS Certification (County and Municipal Personnel System - Civil Service municipalities only)

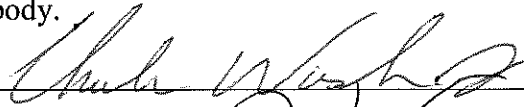
For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS".

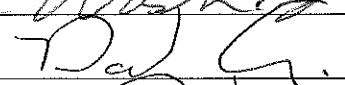
Human Resources or Personnel Director: [Signature] Date: 3-21-17
 Chief Administrative Officer: [Signature] Date: 3-21-17
David Crescenzi, CFO

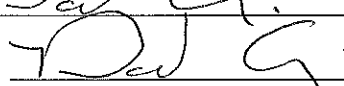
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XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned acknowledges the foregoing requirements with which the municipality must comply in order to receive aid as outlined above. In addition, included with this application is a copy (printed or electronic) of the budget documentation that supports the budget calculation that was provided to the governing body.

Mayor:  Date: _____

Chief Financial Officer:  Date: 3-21-17

Chief Administrative Officer:  Date: 3-21-17

DAVID CRESCENZI, CFO

ATTACHMENT A -- SECTION V-A
"EXPLANATION OF NEED FOR TRANSITIONAL AID"

Salem City is facing a financial crisis for CY 2015, with the following being the main contributors to the problem:

A. Salem has Suffered a drastic Reduction in Tax Assessed Valuation.

The Salem County Board of Taxation ordered the City to complete a city wide property revaluation to be used for 2017. The City's ratio at the time was 150%. The City authorized in 2016 a Special Emergency Authorization (5 Years NJSA 40A4-55) in the amount of \$320,000. The first principal payment of \$64,000 and Interest \$4,352 was appropriated in this year's budget.

The revaluation resulted in City's grant total of assessed value \$213,291,196 plummeting to \$123,956,510, a decrease of \$89,334,686. The City's total tax rate increased from \$3.916 to an estimated \$6.845, (Pre budget). The average residential property value dropped from \$95,383 to \$45,740. The revaluation company stated that the revaluation was completed with 60% non-usable sales, the highest amount they have ever encountered.

Ardagh Glass Factory representatives inquired recently inquired about obtaining a demolition permit from our inspection office for its production buildings. Ardagh ceased glass production in Oct. of 2014. While their assessed values are set for 2017, it could mean a serious loss of ratables in the future being Ardagh is the largest tax ratable in the City.

Salem City (Wildwood, Camden & Atlantic City) had the highest percentage of residents making less than \$20,000 per year who paid more than 30 percent of their income for housing costs. - NJ.com Dec. 12, 2016

B. Salem is No Longer Able to Effectively Sell its Tax Lien Certificates. Based on the plummeting real estate values, high crime, above average poverty rate and other factors, investors are no longer buying tax lien certificates in Salem.

During 2016 tax sale there were 201 properties totaling \$619,402, (Taxes \$429,443 and Water / Sewer \$189,959) being offered for sale. Of those properties 160 were struck off to the City totaling \$556,797.75 or 90%. (Taxes \$399,357.74 and Water Sewer \$157,243.01)

Pro Capital who previously purchased the most liens, only bought \$12,117.

PRO-CAPITAL contacted the City Solicitor in 2016 to explore obtaining assistance from the City in making their investments in Salem City liens profitable. PRO-CAPITAL stated that if something cannot be worked out, they will no longer purchase City liens and will abandon their existing inventory of Salem City liens.

The result is that the number of liens unpurchased by private parties and therefore held by Salem has skyrocketed! This creates a “triple negative” consequence for Salem: (i) it is not getting paid and adds to its cash flow problems; (ii) it nevertheless has to pay the school and the county; and (iii) Salem must decrease the amount anticipated for delinquent taxes in the current budget, thus increasing taxes and thereby causing additional defaults and property abandonment. It’s a death spiral.

The City’s collection rate fell 6.42% (2016 81.71% minus 2014 88.13%) since 2014. The City passed a resolution to authorize the use of the 3 year average not to exceed 86.22%, but chose to use 82.13% in the calculation of the Reserve for Uncollected Taxes. 82.13% may be difficult to achieve given the high percentage of tax liens already held by Salem City. As unlike most third party lien holders who pay subsequent taxes, the municipality cannot accept subsequent tax payments once it holds a municipal lien.

C. Ardagh Glass Factory Closure. Ardagh Glass (formerly known as Anchor Glass) was Salem largest employer, largest tax ratable and largest water/sewer customer. In October of 2014 Ardagh closed its Salem facility and laid off its entire workforce (approximately 250 jobs); and mothballed its nearly 100 year old ailing Salem factory. The news was a complete shock to the entire County and the State who had less than a year earlier approve a multimillion dollar grant for Ardagh to replace one of the massive glass furnaces. The City immediately contacted the Lieutenant Governor’s “Business Action Center Task Force”, but all of the efforts were to no avail. It was a crushing blow to Salem. Business interest in the downtown dropped to an all time low, many established businesses just closed, including the iconic Salem City Café...not sold...just closed. Ardagh has filed a tax appeal in the State Tax Court. Salem is justifiably concerned that the tax appeal could be devastating financially. Ardagh has also inquired about a demolition permit for its glass operations buildings from Salem has already felt the effect of its largest water and sewer customer closing through a significant drop in its utility budget revenues.

D. The Water and Sewer Utility is under extreme financial stress. In the past 20 years, Salem's Water and Sewer Utility has functioned in a fiscally self-sustaining manner. In order to offset administrative oversight and other management expenses (indirect costs), Salem had withdrawn reasonable amounts of funds from the Water and Sewer budget into the taxpayer Current Fund budget. In mid-2012 Salem completed construction of a new Water Plant with grant/loan funding through the NJEIT administered stimulus program. Shortly thereafter it was realized that the Water Plant cannot function as intended and Salem will probably be forced to initiate costly and protracted litigation. The flaws in the new Water Plant have also caused the Water and Sewer Department overtime budget to skyrocket. The Water and Sewer Fund presently has only a marginal cash surplus, the prospect of the taxpayer budget having to subsidize the utility budget is arising. Furthermore, at December 31st, 2015 the Water/Sewer Fund Improvement Authorization Ordinances 07-15/08-18/09-15 and 09-14 have cash deficits of \$286,522.01 and \$163,533.48.

E. Finlaw Building Deficit. The Finlaw Building Redevelopment Project was a cooperative effort by the State, the Salem County Improvement Authority ("SCIA") and Salem City to redevelop a massive multi-story brick structure of historic significance located in the heart of Salem's downtown which had been abandoned, was in danger of collapse and had been acquired by Salem City through tax foreclosure into a modern day office building (with parking garage facilities across the street) for use by the State as the MVC facility for Salem County as well as housing a number of other state offices including DYFS, Public Defender, etc. as well as executive offices for SCIA in the basement. The project was financed through the issuance of \$19.5M in bonds through SCIA which were backed by the unlimited guaranty of Salem City all of which had been approved by the State Local Finance Board ("LFB").

After construction was completed and the State/SCIA took occupancy in 2009 it became apparent that the rental income was insufficient to pay the expenses of the building and amortize the debt service. This along with deficits that had arisen as a result of construction delays, cost overruns and protracted litigation with the contractor/architect, caused withdrawals from the Debt Service Reserve Fund which caused Moody's and other financial rating services to downgrade Salem City's credit rating to "junk bond status" (Ba3). As a result Salem could not successfully convert its outstanding BAN's into bonds and was facing default on existing BAN's until the LFB approved Salem's participation in

the State Qualified Bond Program. Although that crisis was averted, Salem cannot successfully raise capital through BAN's or bonds ... it is not even able to finance the purchase of a new ambulance, fire truck or necessary infrastructure improvements.

In Moody's most recent report (February 24th, 2016 - copy attached) Salem's outlook was changed from stable to negative. They stated "Salem has taken on a liability which is disproportionate to the City's size and ability to pay, which is reflected in the very high debt burden of 14.5% of equalized value". Additionally a recent Rutgers University study listed Salem as having the third highest property tax burden in the State. Finally, numerous articles have listed Salem as within the top 20 municipalities in the US likely to become bankrupt. The poverty rate is far above the State average.

In CY 2012, after meetings with DLGS, Salem was directed to begin appropriating funds in its tax payer budget as necessary to fund the projected deficit on payments due on bonds. Although the utilization of the budgeted taxpayer funds has prevented further "material negative event" notices, Moody's has not increased the City's credit rating because the project has not achieved self-sustaining status. The debt service in the CY 2017 Budget is \$60,000 however appropriations since CY 2012 have totaled \$495,000.00... almost 40 cents added to the tax rate. Salem needs assistance in inducing the principal tenant in the building (e.g., the State of New Jersey) to increase the base amount of the rent so that the project can become self-sustaining.

ATTACHMENT B -- SECTION V-C
“ACTIONS TO REDUCE FUTURE NEED FOR AID”

A. Salem believes that it can stem the tide of property abandonment and increase real estate values by receiving temporary Transitional Aid through this application. The temporary aid will allow the City to move forward with the implementation of three important projects that are expected to have an almost immediate beneficial impact. These projects are as follows:

(i) Nelson House / Washington Hall Condominium Homeownership Project. This project will result in 30 new condominium homeownership units being constructed in two historically significant structures in the downtown area. The project is being funded by the NJHMFA CHOICE Program, with a closing expected open in the third quarter of 2015. This will result in 30 new taxpayers and 30 new water/sewer customers (in addition to the restoration of a significant downtown structure). Without the Transitional Aid supporting a crisis management plan for Salem, the ability of the Developer to sell these condominium units will be jeopardized.

(ii) Port Area Redevelopment - (a) the City received assistance from the Office of Local Planning Services of NJDCA for the creation of a new redevelopment plan for its port/industrial area. The area includes the now closed down Ardagh Glass facility; (b) with the approval of our Fiscal Monitor, Salem City hired Mr. Whitney White of the Global Institute for Strategic Investment, a non-profit corporation who is assisting us with the effort to spearhead new economic development in the port/industrial area; and (c) Salem City is attempting to negotiate a major increase in the PILOT arrangement with the State agency known as South Jersey Port Corporation who owns and operates a facility within the port/industrial area.

(iii) Vacant Property Registration and Fee Ordinance - with the approval of our Fiscal Monitor Salem City contracted with Future Systems, Inc., a vendor that will assist us in planning and implementing a new vacant property registration and fee ordinance. The contract includes the implementation of a computerized system which will allow Salem's small housing enforcement team to inventory and levy a increasing yearly fee against vacant properties. More important than the new source of direct revenue this represents, is the positive impact it will have on moving vacant and unattended properties back to occupy and cared for status which will improve neighborhoods and increase overall values for the real estate market in Salem City. In 2016 the City collected \$49,000 abandoned property fees. In 2017 when the fee increases from \$500

\$1000 it is estimated that the City will collect \$98,000 in abandoned property fees.

B. Transitional Aid will allow Salem time to remedy its new Water Plant and reactivate discussions with adjacent municipalities to provide much needed additional water to them. As a result of the problems with the Plant one such discussion was put on hold, and that transaction alone was estimated to be a source of \$250,000.00 per year in additional water revenue. In 2016, the City received two grants to dig a new fresh water well, \$500,000 from USDA and \$400,000 through the DCA Small Cities Facilities program.

C. Transitional Aid would allow the City to maintain a somewhat normal tax rate while the next step of correcting the Finlaw Building project's fiscal problems are addressed. The City, with the help of the Lieutenant Governor's Office, is attempting to explore the refinancing of the bonds, while at the same time increase the rent paid by the State to match the debt service as was originally intended. The City has already induced the County of Salem to drastically increase its rent for the small portion of the basement of the building it rents, and hopes that the State will follow suit. The City believes that the granting of transitional aid will be another sign to Moody's and the financial community in general that the fiscal problems will be corrected in a permanent manner.

D. Transitional Aid would also allow the City to maintain a somewhat normal tax rate while we are foreclosing on the tax lien certificates that Salem has come to own. The immediate benefit will include redemption of liens that will help with the delinquent tax collection problem. Liens taken to final judgment will reduce liability to the county and school, and will give Salem an inventory of properties to be auctioned. Salem completed an in rem tax foreclosure in 2015 from a list of 30 properties. An additional list of 30 properties is presently being processed through a complaint filed in the Tax Foreclosure Unit in Trenton. The City passed two resolutions on June 20, 2016 authorizing in rem foreclosures on 40 more properties. The tax collector is working on an in rem resolution of 50 properties for the June agenda. The City mailed 3 notices in 2016 to all properties in which the City held a municipal lien. In 2017 we are going to mail a letter on our solicitor's letterhead threatening foreclosure, even though it would be impossible to foreclose on all City liens.

E. The City on April 5, 2017 will hold its first on line tax sale in hopes of increasing the number of bidders and selling more liens. In December of 2017 the City will hold its first accelerated tax sale, also on line in an effort to increase the current year's collection rate.

F. Salem has one of the State's few fully capped landfills, constituting over 25 acres of usable land in the City's "Port Area Redevelopment Zone". The City has partnered with the NJ State Agency known as "South Jersey Port Corporation" in an attempt use the port area, including the federally granted Foreign Trade Zone ("FTZ"), to generate new revenue for the City budget.

G. The City has already implemented many cost cutting measures, such as: elimination of Deputy Municipal Clerk position; elimination of Construction Code Department in favor of a shared services with NJDCA; new and reduced shared services agreement with the County of Salem for police dispatching services; shared services agreement with County YMCA and School District to eliminate City Pool recreation expenditure; shared services agreement for sewer maintenance with Quinton Township; elimination of unemployment for school crossing guards; and sale of North Bend Firehouse. The City entered into a shared service with Woodstown Ambulance for back up EMS coverage in which they are allowed to third party bill. Response times have greatly improved. The City will continue with cost cutting measures and has just recently implemented a layoff of administrative staff in the Housing Department and Police Department. We are also continuing to pursue solar on our closed Landfill and Municipal Court debt collection agency contracts. The City went out for complete bid for electricity and received a much lower rate from Hudson Energy.

H.. Although the City has and will continue to pursue cost cutting and shared services savings, it is clear that the present crisis does not result from over expenditure, but from a revenue and collection problem. The award of Transitional Aid therefore will have a profound beneficial impact and in keeping with the goals of the program be temporary in nature.

City of Salem 2017 Organizational Chart

Mayor & City Council (8 members)

Administration

Admin Committee (4 Council Members)

Finance

Admin Committee

City Clerk / Administrator

CFO / Tax & W/S Collector (1 person)

Clerk's Office- Clerk, Assistant (also Registrar)

Accounts Payable (1 employee)

Tax & Water Sewer Collection (1 employee)

IT Clerk (W/S Budget)

Payroll (includes water sewer) (1 employee)

Police

Mayor

Public Safety Comm. (4 members)

Police Chief

Lieutenant

Sergeants (4)

Patrolman (11)

Clerk Typists (2)

Housing Office

Human Services Comm (4)

Clerk/Administrator

Housing Officer

Public Works

Public Works Committee (4 members)

Street Dept

Water Supt & Public Works Manager (1person)

Foreman

Mechanic

Street Sweeper

Laborer (4)

Water Sewer Dept.

(Separate Budget)

Sewer Supt.

Laborer (6)

Clerk / Analyst

Municipal Court

Judge

Court Administrator

Deputy Court Administrator

Tax Assessor (part time)

Construction Code Office

State of NJ Free

2012 Qualified Bond Act Bonds				2002 Bonds				Total Debt			
Date	Interest	Principal	Balance	Date	Interest	Principal	Balance	Year	Interest	Principal	Total
2013	101,303.68	135,000.00	3,110,000.00	2013	16,435.00	140,000.00	416,000.00	2013	117,738.68	275,000.00	3,526,000.00
2014	97,118.90	140,000.00	2,835,000.00	2014	9,666.25	145,000.00	276,000.00	2014	106,785.15	285,000.00	3,251,000.00
2015	92,522.50	165,000.00	2,670,000.00	2015	3,111.25	131,000.00	131,000.00	2015	95,633.75	296,000.00	2,966,000.00
2016	86,828.46	215,000.00	2,455,000.00	2016	-	-	-	2016	86,828.46	215,000.00	2,455,000.00
2017	80,242.57	225,000.00	2,230,000.00	2017	-	-	-	2017	80,242.57	225,000.00	2,230,000.00
2018	73,382.28	235,000.00	1,995,000.00	2018	-	-	-	2018	73,382.28	235,000.00	1,995,000.00
2019	66,247.57	245,000.00	1,750,000.00	2019	-	-	-	2019	66,247.57	245,000.00	1,750,000.00
2020	58,907.06	250,000.00	1,500,000.00	2020	-	-	-	2020	58,907.06	250,000.00	1,500,000.00
2021	51,497.94	250,000.00	1,250,000.00	2021	-	-	-	2021	51,497.94	250,000.00	1,250,000.00
2022	44,020.22	250,000.00	1,000,000.00	2022	-	-	-	2022	44,020.22	250,000.00	1,000,000.00
2023	35,216.18	250,000.00	750,000.00	2023	-	-	-	2023	35,216.18	250,000.00	750,000.00
2024	25,154.41	250,000.00	500,000.00	2024	-	-	-	2024	25,154.41	250,000.00	500,000.00
2025	15,092.65	250,000.00	250,000.00	2025	-	-	-	2025	15,092.65	250,000.00	250,000.00
2026	5,030.88	250,000.00	-	2026	-	-	-	2026	5,030.88	250,000.00	-
2027	-	-	-	2027	-	-	-	2027	-	-	-
2028	-	-	-	2028	-	-	-	2028	-	-	-
2029	-	-	-	2029	-	-	-	2029	-	-	-
2030	-	-	-	2030	-	-	-	2030	-	-	-
2031	-	-	-	2031	-	-	-	2031	-	-	-
832,565.29 3,110,000.00				29,212.50 416,000.00				861,777.79 3,526,000.00			

Proof

861,777.79 3,526,000.00

Note Disclosure

	Int	Prin	Total
2013	117,738.68	275,000.00	392,738.68
2014	106,785.15	285,000.00	391,785.15
2015	95,633.75	296,000.00	391,633.75
2016	86,828.46	215,000.00	301,828.46
2017	80,242.57	225,000.00	305,242.57
2018-2022	294,055.07	1,230,000.00	1,524,055.07
2023-2027	80,494.12	1,000,000.00	1,080,494.12
2028-2032	-	-	-
	861,777.79	3,526,000.00	4,387,777.79

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Water and Sewer Utility

Wastewater Loan			2010 Issue EIT Funding Station ZLT and B1			2010 Issue EIT Water Plant ZLT and B1			State of NJ Debt Refinement Loan 2012			Qualified Bonds 2012			USDA LOAN			Total Debt				
Year	Interest	Principal	Balance	Year	Interest	Principal	Balance	Year	Interest	Principal	Balance	Year	Interest	Principal	Balance	Year	Interest	Principal	Balance	Total		
2013	173,200.17	113,691.83	3,377,710.12	2013	18,230.79	33,003.31	598,053.07	2013	151,376.00	304,832.21	5,692,315.37	2013	11,480.54	28,695.16	552,898.26	2013	33,335.19	11,260.81	775,882.33	387,059.98	508,729.90	
2014	167,447.84	119,354.16	3,258,555.98	2014	18,770.38	33,003.31	565,049.76	2014	10,917.10	28,695.16	524,373.08	2014	9,056.10	15,000.00	280,000.00	2014	32,887.53	11,744.47	784,137.86	387,415.95	517,529.33	
2015	151,404.22	125,397.78	3,132,958.18	2015	13,310.00	33,003.31	532,046.45	2015	11,120.00	314,832.21	5,097,650.55	2015	8,657.50	15,000.00	225,000.00	2015	32,347.06	12,248.92	751,888.94	337,151.14	529,632.16	
2016	155,054.58	131,747.42	3,001,210.76	2016	12,960.00	33,003.31	499,043.14	2016	10,512.00	319,832.21	4,747,818.74	2016	8,066.54	20,000.00	205,000.00	2016	31,823.97	12,775.83	725,133.91	322,408.11	507,633.43	
2017	148,383.43	136,418.57	2,862,792.19	2017	11,810.00	33,003.31	466,038.83	2017	9,870.00	324,832.21	4,422,886.53	2017	7,482.43	20,000.00	205,000.00	2017	31,272.26	13,323.74	725,790.17	308,976.04	559,932.19	
2018	141,374.60	145,427.54	2,717,394.65	2018	10,310.00	33,003.31	433,038.52	2018	9,270.00	329,832.21	4,093,154.32	2018	6,842.72	20,000.00	185,000.00	2018	30,659.89	13,866.01	711,894.16	290,854.57	544,577.69	
2019	134,070.60	152,791.40	2,564,573.25	2019	9,310.00	33,003.31	400,038.21	2019	8,520.00	334,832.21	3,753,322.11	2019	6,177.43	20,000.00	165,000.00	2019	30,103.13	14,492.87	697,401.28	274,146.87	531,123.55	
2020	118,743.36	160,526.14	2,404,045.11	2020	8,710.00	33,003.31	367,038.90	2020	7,820.00	339,832.21	3,403,489.90	2020	5,482.84	20,000.00	145,000.00	2020	29,480.65	15,115.83	682,285.94	256,067.89	517,706.66	
2021	108,065.27	168,656.64	2,235,988.47	2021	8,110.00	33,003.31	334,038.59	2021	6,720.00	344,832.21	3,053,657.69	2021	4,802.05	20,000.00	125,000.00	2021	28,481.42	15,744.98	666,821.36	233,451.89	503,128.15	
2022	100,032.74	177,198.73	2,058,988.47	2022	7,510.00	33,003.31	301,038.28	2022	6,120.00	349,832.21	2,698,825.49	2022	4,104.78	20,000.00	105,000.00	2022	27,448.10	17,447.80	652,831.76	205,102.88	490,356.73	
2023	91,263.88	186,166.12	1,876,028.39	2023	6,910.00	33,003.31	268,038.97	2023	5,503.23	354,832.21	2,333,993.27	2023	3,463.82	20,000.00	85,000.00	2023	26,711.58	17,884.42	635,047.34	183,713.78	472,775.72	
2024	81,801.68	195,656.12	1,691,028.39	2024	6,310.00	33,003.31	235,038.66	2024	4,603.73	359,832.21	1,984,161.05	2024	2,845.89	20,000.00	65,000.00	2024	25,643.42	18,652.58	605,394.76	163,601.65	451,893.42	
2025	71,801.68	205,503.32	1,470,028.01	2025	5,710.00	33,003.31	202,038.35	2025	3,203.99	364,832.21	1,594,328.85	2025	2,142.25	20,000.00	45,000.00	2025	24,364.42	19,453.74	575,941.02	144,541.31	427,503.57	
2026	61,801.68	215,350.52	1,250,028.01	2026	5,110.00	33,003.31	169,038.04	2026	2,474.18	369,832.21	1,194,496.64	2026	1,409.12	20,000.00	25,000.00	2026	23,046.69	20,289.31	555,051.71	120,147.13	402,205.25	
2027	51,801.68	225,197.71	1,029,028.01	2027	4,510.00	33,003.31	134,038.73	2027	1,729.78	374,832.21	868,694.43	2027	868.69	20,000.00	5,000.00	2027	21,578.41	21,160.77	535,480.94	98,483.27	386,697.46	
2028	41,801.68	235,044.90	798,028.01	2028	3,910.00	33,003.31	99,038.42	2028	1,029.78	379,832.21	608,694.43	2028	23,046.69	20,000.00	5,000.00	2028	20,046.69	22,017.59	512,421.28	74,103.67	368,517.61	
2029	31,801.68	244,892.09	567,028.01	2029	3,310.00	33,003.31	64,038.11	2029	567.03	384,832.21	368,694.43	2029	16,191.84	20,000.00	5,000.00	2029	18,558.67	23,017.59	489,403.69	49,504.50	339,899.19	
2030	21,801.68	254,739.28	336,028.01	2030	2,710.00	33,003.31	29,038.80	2030	507.03	389,832.21	168,694.43	2030	14,571.84	20,000.00	5,000.00	2030	16,583.27	24,017.59	466,397.46	28,037.33	308,430.13	
2031	11,801.68	264,586.47	91,028.01	2031	2,110.00	33,003.31	0.00	2031	441.81	394,832.21	1,194,496.64	2031	12,966.54	20,000.00	5,000.00	2031	14,583.27	25,017.59	441,380.13	19,483.27	28,112.73	
2032	1,801.68	274,433.66	-	2032	1,510.00	33,003.31	-	2032	381.81	399,832.21	1,194,496.64	2032	11,353.53	20,000.00	5,000.00	2032	12,966.54	26,017.59	416,362.40	16,191.84	25,284.51	
2033	-	284,280.85	-	2033	910.00	33,003.31	-	2033	321.81	404,832.21	1,194,496.64	2033	10,743.72	20,000.00	5,000.00	2033	11,353.53	27,017.59	391,344.87	13,017.84	22,466.67	
2034	-	294,128.04	-	2034	310.00	33,003.31	-	2034	261.81	409,832.21	1,194,496.64	2034	9,529.78	20,000.00	5,000.00	2034	10,743.72	28,017.59	366,317.14	10,037.84	20,428.92	
2035	-	304,000.00	-	2035	-	33,003.31	-	2035	201.81	414,832.21	1,194,496.64	2035	8,315.85	20,000.00	5,000.00	2035	9,529.78	29,017.59	341,297.41	7,007.84	18,421.08	
2036	-	313,872.19	-	2036	-	33,003.31	-	2036	141.81	419,832.21	1,194,496.64	2036	7,101.90	20,000.00	5,000.00	2036	8,315.85	30,017.59	316,267.66	4,983.27	16,812.81	
2037	-	323,744.34	-	2037	-	33,003.31	-	2037	81.81	424,832.21	1,194,496.64	2037	5,887.97	20,000.00	5,000.00	2037	7,101.90	31,017.59	291,237.75	2,966.54	15,206.27	
2038	-	333,616.49	-	2038	-	33,003.31	-	2038	21.81	429,832.21	1,194,496.64	2038	4,674.04	20,000.00	5,000.00	2038	5,887.97	32,017.59	266,207.86	9,544.94	13,662.33	
2039	-	343,488.64	-	2039	-	33,003.31	-	2039	-	434,832.21	1,194,496.64	2039	3,460.11	20,000.00	5,000.00	2039	4,674.04	33,017.59	241,178.91	8,039.45	12,052.88	
2040	-	353,360.79	-	2040	-	33,003.31	-	2040	-	439,832.21	1,194,496.64	2040	2,246.18	20,000.00	5,000.00	2040	3,460.11	34,017.59	216,149.06	6,489.28	10,443.43	
2041	-	363,232.94	-	2041	-	33,003.31	-	2041	-	444,832.21	1,194,496.64	2041	1,032.25	20,000.00	5,000.00	2041	2,246.18	35,017.59	191,119.11	4,931.68	8,833.75	
2042	-	373,105.09	-	2042	-	33,003.31	-	2042	-	449,832.21	1,194,496.64	2042	-	20,000.00	5,000.00	2042	1,032.25	36,017.59	166,089.16	3,423.73	7,220.00	
2043	-	382,977.24	-	2043	-	33,003.31	-	2043	-	454,832.21	1,194,496.64	2043	-	20,000.00	5,000.00	2043	-	37,017.59	141,069.16	1,912.81	5,607.19	
2044	-	392,849.39	-	2044	-	33,003.31	-	2044	-	459,832.21	1,194,496.64	2044	-	20,000.00	5,000.00	2044	-	38,017.59	116,041.61	342.81	3,992.38	
2045	-	402,721.54	-	2045	-	33,003.31	-	2045	-	464,832.21	1,194,496.64	2045	-	20,000.00	5,000.00	2045	-	39,017.59	91,014.16	182.81	2,379.57	
2046	-	412,593.69	-	2046	-	33,003.31	-	2046	-	469,832.21	1,194,496.64	2046	-	20,000.00	5,000.00	2046	-	40,017.59	66,000.00	92.81	762.38	
2047	-	422,465.84	-	2047	-	33,003.31	-	2047	-	474,832.21	1,194,496.64	2047	-	20,000.00	5,000.00	2047	-	41,017.59	41,000.00	42.81	307.59	
2048	-	432,337.99	-	2048	-	33,003.31	-	2048	-	479,832.21	1,194,496.64	2048	-	20,000.00	5,000.00	2048	-	42,017.59	16,000.00	2.81	152.79	
2049	-	442,210.14	-	2049	-	33,003.31	-	2049	-	484,832.21	1,194,496.64	2049	-	20,000.00	5,000.00	2049	-	43,017.59	-	-	-	-
2050	-	452,082.29	-	2050	-	33,003.31	-	2050	-	489,832.21	1,194,496.64	2050	-	20,000.00	5,000.00	2050	-	44,017.59	-	-	-	-
2051	-	461,954.44	-	2051	-	33,003.31	-	2051	-	494,832.21	1,194,496.64	2051	-	20,000.00	5,000.00	2051	-	45,017.59	-	-	-	-
2052	-	471,826.59	-	2052	-	33,003.31	-	2052	-	499,832.21	1,194,496.64	2052	-	20,000.00	5,000.00	2052	-	46,017.59	-	-	-	-
2053	-	481,698.74	-	2053	-	33,003.31	-	2053	-	504,832.21	1,194,496.64	2053	-	20,000.00	5,000.00	2053	-	47,017.59	-	-	-	-
2054	-	491,570.89	-	2054	-	33,003.31	-	2054	-	509,832.21	1,194,496.64	2054	-	20,000.00	5,000.00	2054	-	48,017.59	-	-	-	-
2055	-	501,443.04	-	2055	-	33,003.31	-	2055	-	514,832.21	1,194,496.64	2055	-	20,000.00	5,000.00	2055	-	49,017.59	-	-	-	-
2056	-	511,315.19	-	2056	-	33,003.31	-	2056	-	519,832.21	1,194,496.64	2056	-	20,000.00	5,000.00	2056	-	50,017.59	-	-	-	-
2057	-	521,187.34	-	2057	-	33,003.31	-	2057	-	524,832.21	1,194,496.64	2057	-	20,000.00	5,000.00	2057	-	51,017.59	-	-	-	-
2058	-	531,059.49	-	2058	-	33,003.31	-	2058	-	529,832.21	1,194,496.64	2058	-	20,000.00	5,000.00	2058	-	52,017.59	-	-	-	-
2059	-	540,931.6																				

CITY OF SALEM

PROPERTY CLASS	No. OF ITEMS 2016	2016 ASSESSED VALUES (before exemptions)	% OF 2016 TOTAL	No. OF ITEMS 2017	2017 ASSESSED VALUES (before exemptions)	% OF 2017 TOTAL	2016 vs. 2017	SHIFT
1. VACANT	219	\$5,272,300	2.47%	195	\$2,191,700	1.80%	41.57%	-0.68%
2. RESIDENTIAL	1,490	\$142,121,500	66.63%	1,518	\$70,528,600	57.80%	49.63%	-8.83%
3A. FARM (Reg)	3	\$346,900	0.16%	3	\$183,000	0.15%	100.00%	-0.01%
3B. FARM (Qual)	9	\$151,100	0.07%	9	\$115,200	0.09%	100.00%	0.02%
4A. COMMERCIAL	110	\$36,575,100	17.15%	117	\$29,406,400	24.10%	80.40%	6.95%
4B. INDUSTRIAL	14	\$22,642,396	10.62%	13	\$13,644,800	11.18%	60.26%	0.57%
4C. APARTMENT	12	\$6,181,900	2.90%	12	\$5,945,900	4.87%	96.18%	1.97%
TOTAL COMMERCIAL	136	\$65,399,396	30.66%	142	\$48,997,100	40.16%	74.92%	9.49%
GRAND TOTAL	1,857	\$213,291,196	100%	1,867	\$122,015,600	100%	57%	0.00%

CURRENT DATA

Current Tax Rate \$3.916

REVISED 2016 TAX RATE

Current Tax Rate 2016 \$3.916
Adjustment to Ratable Base 57.21%

Current Tax Rate \$3.916 = \$6.845 ✓ Revised Tax Rate based on 2016 Budget
Adjustment to Ratable Base 0.572

Note: The actual tax rate in 2017 will be based on the actual 2017 total tax levy and the final 2017 assessments

AVERAGE RESIDENTIAL ANALYSIS

Average Residential Property (2016 Assessed Value) \$95,400	X	2016 Tax Rate \$3.916	=	2016 Avg. Tax \$3,735.86
Average Residential Property (2017 Assessed Value) \$46,500	X	2016 Revised Tax Rate based 2016 Budget \$6.845	=	2016 Revised Avg. Tax \$3,183.12
Average Residential Tax Dollar Difference				(\$552.74)

*** ALL INFORMATION SUBJECT TO CHANGE BEFORE FINAL SUBMISSION OF TAX LIST ***

60% non usable Sales

Avg Residential 2016 2017
 95,384 45,740

Year 2017 Budget Worksheet - Salem City

GENERAL GOVERNMENT		2016 Budget	Transfers	Reimb.	2016 Final	Disbursed	Balance Reserved	Proposed 2017	Difference	Committee
Human Resources		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Other Expenses	20-105-020	3,000.00	(3,000.00)	0.00	0.00	0.00	0.00	3,000.00	0.00	xxxxxx
Mayor & Council		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Salary & Wages	20-110-010	55,000.00	6,000.00	0.00	61,000.00	60,362.29	647.71	55,000.00	0.00	xxxxxx
Other Expenses	20-110-020	25,000.00	7,500.00	0.00	32,500.00	31,639.97	860.03	25,000.00	0.00	Admin
Municipal Clerk		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Salary & Wages	20-120-010	86,400.00	5,900.00	0.00	92,300.00	92,275.87	24.13	85,594.00	(806.00)	sch 1
Other Expenses	20-120-020	28,530.00	0.00	0.00	28,530.00	27,492.14	1,037.86	28,530.00	0.00	Admin
Financial Administration		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Salary & Wages	20-130-011	122,914.00	0.00	0.00	122,914.00	121,306.17	1,607.83	109,810.00	(13,104.00)	sch 2
Other Expenses	20-130-020	16,020.00	0.00	0.00	16,020.00	14,812.84	1,207.16	16,020.00	0.00	Admin
Audit Services		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Other Expenses	20-135-020	45,000.00	0.00	0.00	45,000.00	40,254.99	4,745.01	45,000.00	0.00	Admin
Tax Collection		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Salary & Wages	20-145-011	39,325.00	8,000.00	0.00	47,325.00	46,387.96	937.04	39,325.00	0.00	sch 4
Other Expenses	20-145-020	7,850.00	3,000.00	0.00	10,850.00	7,344.40	3,505.60	7,850.00	0.00	Admin
Tax Assessment		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Salary & Wages	20-150-011	23,508.00	400.00	0.00	23,908.00	23,838.32	69.68	23,882.00	374.00	sch 3
Other Expenses	20-150-020	9,000.00	0.00	0.00	9,000.00	8,944.66	55.34	9,000.00	0.00	Admin
Legal Services		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Salary & Wages	20-155-011	77,270.00	1,000.00	0.00	78,270.00	78,153.50	116.50	0.00	(77,270.00)	xxxxxx
Other Expenses	20-155-020	1,700.00	900.00	0.00	2,600.00	10,339.00	(7,739.00)	78,970.00	77,270.00	Disbursed ? 500
In Rem Foreclosures	20-165-020	63,200.00	0.00	0.00	63,200.00	33,308.86	29,891.14	55,000.00	(8,200.00)	xxxxxx
Engineering Services	20-165-222	12,000.00	1,000.00	0.00	13,000.00	13,000.00	0.00	12,000.00	0.00	xxxxxx
Economic Development		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Salary & Wages	20-170-011	6,000.00	(6,000.00)	0.00	0.00	0.00	0.00	6,000.00	0.00	Admin
Other Expenses	20-170-020	1,000.00	(1,000.00)	0.00	0.00	0.00	0.00	1,000.00	0.00	Admin
LAND USE ADMINISTRATION:										
Planning Board	21-180-020	13,500.00	5,800.00	0.00	19,300.00	19,202.06	97.94	17,500.00	4,000.00	Redev.
CODE ENFORCEMENT:										
Housing Inspections & Permits		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
Salary & Wages	22-200-000	49,500.00	0.00	0.00	49,500.00	48,896.62	603.38	50,119.00	619.00	Human Serv.
Other Expenses	22-200-000	8,500.00	17,000.00	0.00	25,500.00	25,136.02	363.98	45,500.00	37,000.00	Human Serv.

Year 2017 Budget Worksheet - Salem City

		2016 Budget	Transfers	Reimb.	2016 Final	Disbursed	Balance Reserved	Proposed 2017	Difference	Committee
INSURANCE:										
Unemployment & Disability	36-476-000	2,250.00	0.00	0.00	2,250.00	1,584.91	665.09	2,250.00	0.00	
PUBLIC SAFETY FUNCTIONS:										
Police Department										
Salary & Wages	25-240-011	1,743,200.00	(115,000.00)	0.00	1,628,200.00	1,535,654.49	92,545.51	1,700,000.00	(43,200.00)	Public Safety
Other Expenses	25-240-020	78,000.00	0.00	0.00	78,000.00	55,813.87	22,186.13	78,000.00	0.00	Public Safety
Office of Emergency Management										
Salary & Wages	25-252-011	8,200.00	0.00	0.00	8,200.00	8,197.20	2.80	8,200.00	0.00	Public Safety
Aid to Volunteer Ambulance	25-260-022	10,000.00	5,800.00	0.00	15,800.00	15,772.47	27.53	10,000.00	0.00	Public Safety
Fire Department	25-265-020	45,000.00	0.00	0.00	45,000.00	38,774.35	6,225.65	45,000.00	0.00	Public Safety
PUBLIC WORKS:										
Streets and Roads Maintenance										
Salary & Wages	26-290-011	364,350.00	9,500.00	0.00	373,850.00	373,363.62	486.38	358,552.00	(5,798.00)	Public Works
Other Expenses	26-290-020	27,500.00	20,000.00	0.00	47,500.00	47,174.76	325.24	30,000.00	2,500.00	Public Works
Street Cleaning										
Salary & Wages	26-302-011	50,750.00	1,400.00	0.00	52,150.00	52,048.35	101.65	52,997.00	2,247.00	Public Works
Other Expenses	26-302-020	700.00	0.00	0.00	700.00	182.42	517.58	700.00	0.00	Public Works
Buildings and Grounds										
Other Expenses	26-310-020	70,000.00	0.00	0.00	70,000.00	66,787.76	3,212.24	70,000.00	0.00	City Property
Demolition of Substandard Buildings										
Other Expenses		45,100.00	0.00	0.00	45,100.00	16,776.72	28,323.28	20,000.00	(25,100.00)	
Vehicle Maintenance	26-315-020	30,675.00	1,200.00	0.00	31,875.00	31,812.88	62.12	30,675.00	0.00	Public Works
HEALTH & HUMAN SERVICES:										
Board of Health	27-330-022	350.00	0.00	0.00	350.00	0.00	350.00	350.00	0.00	Human Services
Animal Control Services	27-340-022	22,600.00	0.00	0.00	22,600.00	22,600.00	0.00	22,600.00	0.00	Human Services
PARK & RECREATION :										
Recreation & Parks										
Other Expenses	28-370-020	20,000.00	0.00	0.00	20,000.00	11,937.50	8,062.50	20,000.00	0.00	Community Ser
INSURANCE:										
Liability	23-210-022	263,900.00	(56,800.00)	0.00	208,100.00	208,069.51	30.49	283,538.00	19,638.00	
Workers Compensation	23-215-022	112,665.00	73,000.00	0.00	185,665.00	185,631.17	33.83	121,517.00	8,852.00	
Employee Group	23-220-022	1,229,500.00	0.00	0.00	1,229,500.00	1,131,182.88	98,317.12	1,254,500.00	25,000.00	

		2016 Budget	Transfers	Reimb.	2016 Final	Disbursed	Balance Reserved	Proposed 2017	Difference	Committee
MUNICIPAL COURT:		xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx
Salaries and Wages	43-490-011	98,000.00	(20,800.00)	0.00	77,200.00	70,691.88	6,508.12	95,000.00	(3,000.00)	Admin.
Other Expenses	43-490-022	17,000.00	0.00	0.00	17,000.00	15,488.75	1,511.25	17,000.00	0.00	Admin
Public Defender	43-495-022	9,730.00	1,400.00	0.00	11,130.00	10,037.20	1,092.80	9,730.00	0.00	Admin
UTILITY & BULK PURCHASES:										
Electricity	31-430-022	103,000.00	112,500.00	0.00	215,500.00	215,183.21	316.79	103,000.00	0.00	
Street Lighting	31-435-022	120,000.00	(100,000.00)	0.00	20,000.00	19,661.40	338.60	120,000.00	0.00	
Telephone	31-440-022	74,000.00	3,200.00	0.00	77,200.00	77,143.50	56.50	74,000.00	0.00	
Natural Gas	31-446-022	13,755.00	(500.00)	0.00	13,255.00	12,424.87	830.13	13,755.00	0.00	
Heating Oil	31-447-022	25,000.00	(10,000.00)	0.00	15,000.00	8,399.31	6,600.69	25,000.00	0.00	
Gasoline	31-460-022	65,000.00	(15,000.00)	0.00	50,000.00	38,634.60	11,365.40	58,000.00	(7,000.00)	
LANDFILL WASTE DISPOSAL:										
Sanitary Landfill		xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx
Salary & Wages	32-465-011	2,400.00	0.00	0.00	2,400.00	2,300.00	100.00	2,400.00	0.00	
Other Expenses	32-465-020	83,600.00	17,500.00	0.00	101,100.00	100,876.96	223.04	83,600.00	0.00	
STATUTORY EXPENDITURES:										
Social Security	36-472-022	152,300.00	22,700.00	0.00	175,000.00	174,949.73	50.27	169,000.00	16,700.00	
Aid to Library (NUSA 40-54-35)	29-330-022	71,500.00	0.00	0.00	71,500.00	71,500.00	0.00	71,500.00	0.00	
Police Dispatch County of Salem	42-702-101	129,010.00	0.00	0.00	129,010.00	129,010.00	0.00	129,010.00	0.00	
FEDERAL AND STATE :										
GRANTS		12,852.41	0.00	0.00	12,852.41	12,852.41	0.00	21,481.18	8,628.77	
Garbage and Trash Collection		xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx
Other Expenses		82,063.00	0.00	0.00	82,063.00	64,814.27	17,248.73	82,063.00	0.00	
Capital Improvement Fund	44-900-022	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00	

		2016 Budget	Transfers	Reimb.	2016 Final	Disbursed	Balance Reserved	Proposed 2017	Difference	Committee
Municipal Debt Service:		xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx	xxxxxxxxxxxx
Bond Principal	45-920-022	215,000.00	0.00	0.00	215,000.00	215,000.00	0.00	225,000.00	10,000.00	
Bond Interest	45-930-022	86,830.00	0.00	0.00	86,830.00	86,830.00	0.00	80,300.00	(6,530.00)	
Sinking Fund - Finlaw Debt Service		70,000.00	0.00	0.00	70,000.00	70,000.00	0.00	65,000.00	(5,000.00)	
Deferred Charge		26,000.00	0.00	0.00	26,000.00	26,000.00	0.00	26,000.00	0.00	
Overexpenditures		8,451.78	0.00	0.00	8,451.78	8,451.78	0.00	293,931.02	285,479.24	
Transfer to Bd of Education	48-900-022	30,500.00	0.00	0.00	30,500.00	30,500.00	0.00	16,514.00	(13,986.00)	
Revaluation Principal								64,000.00	64,000.00	
Revaluation Interest								4,352.00	4,352.00	
2015 OPERATING DEFICIT		155,945.64	0.00	0.00	155,945.64	155,944.90	0.74	0.00	(155,945.64)	
Police & Fire Retirement System	36-475-022	351,431.00	2,300.00	0.00	353,731.00	353,707.25	23.75	299,777.00	(51,654.00)	
Public Employees Retirement System	36-471-022	156,720.00	100.00	0.00	156,820.00	156,745.66	74.34	164,960.00	8,240.00	
Reserve for Uncollected Taxes		1,310,916.39			1,310,916.39	1,310,916.39	0.00			
TOTAL APPROPRIATIONS		8,289,962.22	-	-	8,289,962.22	7,944,114.60	345,847.62	7,147,352.20	168,306.37	
						0.00	0.00			

1,571,946.08 Reserve for Uncollected Taxes
8,719,298.28 total expenditures budget 2017

(4,070,097.90) proposed 2017 revenues beside taxes
4,649,200.38 taxation

123,956.510 assess values 2017
3,751 local tax rate proposed 2017
3,529 local tax rate 2016
0.222

2017 Budget Worksheet
Clerk Salary and Wages

Schedule 1

Union 1.25 %	2016 Base	Raise	2017 Total	Gen Budget	WS Budget
Tierra Jennings	0.00	0.0%	56,200.00	50,580.00	5,202.00
Jane Pankok	34,582.00	1.25%	35,014.28	35,014.28	0.00
			17 Budget	85,594.28	
			16 Budget	86,400.00	
			Increase 13	(805.72)	

2017 Budget Worksheet
Finance - SW

Schedule 2

Union 1.25 %		2016 Base	Raise	Total	Gen Budget	WS Budget
David Crescenzi	CFO / Tax Collect	98,988.00	0.00	98,988.00	65,995.00	32,993.00
Joanne Lewis 6 mos retire	Prin Acct Clerk	56,919.00	0.0125	57,629.88	28,814.94	0.00
Accum Sick	Prin Acct Clerk			15,000.00	15,000.00	0.00
				17 Budget	109,809.94	
				16 Budget	122,914.00	
				17 Increase	(13,104.06)	

2017 Budget Worksheet
Tax Assessment

Schedule 3

		2016 Base	Raise	Total	Gen Budget
Marie Proacci	Assessor	\$21,482.00	0.0%	\$21,482.00	\$21,482.00
Kathy Baese	Tax Search	\$1,167.00	0.0%	\$1,200.00	\$1,200.00
Kathleen Keen	Asses. Search	\$1,167.00	0.0%	\$1,200.00	\$1,200.00
				17 Budget	\$23,882.00
				16 Budget	\$23,508.00
				Increase	\$374.00

2017 Budget Worksheet
Tax Collection

Schedule 4

Trene Thompson	Prin PR Clerk	Total	Gen Budget
		\$33,505.00	\$33,505.00
		17 Budget	\$33,505.00
		16 Budget	\$39,325.00
		Decrease	(\$5,820.00)

2017 Budget Worksheet
Housing and Inspections SW

Schedule 5

	2016 Base	Raise	Total	Gen Budget
Carol Wright	49,500.00	1.25%	50,118.75	50,118.75
			17 Budget	50,118.75
			16 Budget	49,500.00
			Increase	618.75

2017 Budget Worksheet
Street SW

Sch 6

Last Name	First	Title	Hire Date	2016 Gross Salary	Union 1.25%	2017	OT 2016
Cagle	Gene	Sr. Mechanic	06/15/93	69,269.00	1.25	70,134.86	2,523.26
Ledford	Paul	Gen Supervisor	06/18/84	\$81,151.00	0.00	81,151.00	0.00
Carter	Bobby	Laborer	02/07/05	45,069.00	1.25	45,632.36	4,848.15
Jared	Perry	Truck Driver	10/25/99				3,463.02
Thompson	Jared	Laborer	02/06/07			36,606.00	
Thompson	Brian	Mechanic	05/01/06	45,069.00	1.25	45,632.36	5,148.84
Wygor	Charles	Equip Operator	08/05/06	55,700.00	1.25	56,396.25	6,929.33

2017 Budget 335,552.84 22,912.60
OT 23,000.00
Budget 358,552.84
2016 Budget 364,350.00
Increase (5,797.16)

2016 Budget Worksheet
Street Cleaning

Last Name	First	Title	Hire Date	2016 Gross Salary	Union 1.25%	2017	OT
Howard	Raymond	Mtr Broom Oper		50,368.00	1.25	50,997.60	1,680.27

2017 Budget 50,997.60
OT 2,000.00
Budget 52,997.60
2016 Budget 50,750.00
Increase 2,247.60

**CITY OF SALEM
ORDINANCE 1307**

**AN ORDINANCE AMENDING SECTION 2 OF CHAPTER 43 OF THE MUNICIPAL
CODE OF THE CITY OF SALEM FIXING THE TITLES, SALARIES AND
COMPENSATION RANGES OF OFFICERS AND EMPLOYEES OF
THE CITY OF SALEM**

BE IT HEREBY ORDAINED, by the Common Council of the City of Salem, in the County of Salem and State of New Jersey, that Section 2 of Chapter 43 of the Municipal Code be amended to read as follows:

1. Administration	Title Code	Not to Exceed	
a) Mayor	02428	\$ 8,700.00	Yr.
b) Council Members	01381	\$ 6,700.00	Yr.
Council President		\$ 500.00	Yr.
c) Emergency Management Coordinator	05079	\$ 5,465.00	Yr.
d) Deputy Emergency Management Coordinator		\$ 2,679.00	Yr.
e) Clerk/Typist	01268	\$ 32,528.00	Yr.
f) Tax Search Officer	05467	\$ 1,167.00	Yr.
g) Municipal Search Officer	05852	\$ 1,167.00	Yr.
h) Community Development Cord.		\$ 12,000.00	Yr.
 2. Municipal Court			
a) Judge	02219	\$ 20,300.00	Yr.
b) Court Administrator	07795	\$ 39,585.00	Yr.
c) Deputy Court Administrator	07796	\$ 31,000.00	Yr.
d) Public Defender	05303	\$ 9,637.00	Yr.
e) Prosecutor	02534	\$ 19,462.00	Yr.
 3. Tax Assessor's Office			
a) Tax Assessor	04120	\$ 21,482.00	Yr.
b) Sr. Bookkeeping Machine Operator	03213	\$ 52,052.00	Yr.
 4. City Clerk's Office			
a) City Clerk	01229	\$ 52,020.00	Yr.
b) Registrar	07523	\$ 5,000.00	Yr.
c) Administrator	06310	\$ 10,200.00	Yr.
d) Deputy Municipal Clerk	00617	\$ 20,000.00	Yr.
e) Clerk/Typist	01268	\$ 32,528.00	Yr.

ORDINANCE 1307

5. Department of Inspections and Permits

a) Sr. Housing Inspector	03368	\$ 52,975.00	Yr.
b) Housing Inspector	02071	\$ 45,852.00	Yr.
c) Principal Clerk/Typist	02781	\$ 37,385.00	Yr.
d) Clerk/Typist	01268	\$ 32,528.00	Yr.
e) Sanitation Inspector	03110	\$ 21,616.00	Yr.

6. Finance

a) Chief Financial Officer/ Tax Collector	07541 04124	\$ 98,987.00	Yr.
b) Sr. Bookkeeping Machine Operator	03214	\$ 52,052.00	Yr.
c) Principal Account Clerk Typist	02757	\$ 52,052.00	Yr.
d) Clerk/Typist	01268	\$ 32,528.00	Yr.
e) Account Clerk Typist	00003	\$ 34,689.00	Yr.
f) Sr. Account Clerk/Typist	03168	\$ 37,400.00	Yr.
g) Payroll Clerk	02634	\$ 37,400.00	Yr.
h) Sr. Payroll Clerk	03496	\$ 40,163.00	Yr.
i) Prin. Payroll Clerk	26994	\$ 52,052.00	Yr.

7. Public Safety Department/Police

a) Chief of Police	02719	\$ 89,143.00	Yr.
b) Lieutenant	02727	\$ 79,911.00	Yr.
c) Sergeants	12379	\$ 69,636.00	Yr.
Assign. Investigator	Additional	\$ 500.00	Yr.
d) Police Officer	02728	\$ 65,176.00	Yr.
Assign. Investigator	Additional	\$ 500.00	
e) School Crossing Guards	03125	\$ 12.21	Hr.
f) Clerk/Typist/Confidential Responsibilities	02757	\$ 41,034.42	Yr.
g) Principal Account Clerk	02757	\$ 47,624.00	Yr.
h) Sr. Clerk Typist	03256	\$ 33,242.00	Yr.
i) Special Police, Class II		\$ 35.42	Hr.
j) Special Police, Class I		\$ 15.26	Hr.
k) Corporal	Additional	\$ 1,000.00	Yr.

8. Street Department

a) General Supervisor	06056	\$ 75,140.00	Yr.
b) Senior Mechanic	03459	\$ 63,972.00	Yr.
c) Mechanic	02434	\$ 60,925.00	Yr.
d) Equipment Operator	01746	\$ 52,393.00	Yr.
e) Motor Broom Operator	05565	\$ 46,061.00	Yr.
f) Truck Driver	04222	\$ 46,061.00	Yr.
g) Laborer	02248	\$ 43,007.00	Yr.
h) Recycling Coordinator	07622	\$ 1,200.00	Yr.

ORDINANCE 1307

9. Water & Sewer Department

a) Water Superintendent	04294	\$100,702.00	Yr.
b) Sewer Superintendent	03678	\$100,702.00	Yr.
c) Sr. Water/Sewer Repairer	03638	\$ 61,066.00	Yr.
d) Water/Sewer Repairer	04259	\$ 55,166.00	Yr.
e) Assistant Water/Sewer Repairer	00813	\$ 49,395.00	Yr.
f) Sr. Water/Sewer Plant Operator	05929	\$ 61,066.00	Yr.
g) Water/Sewer Plant Operator	05943	\$ 55,161.00	Yr.
h) Assistant Water/Sewer Plant Operator	05814	\$ 49,395.00	Yr.
i) Meter Reader/Repairer	05747	\$ 49,395.00	Yr.
j) Laborer	02248	\$ 43,007.00	Yr.
k) Sr. Bookkeeping Machine	03214	\$ 52,052.00	Yr.
l) Lab. Tech Water Analysis & Principal Clerk/Typist	07439	\$ 66,603.00	Yr.
m) Sewer Equipment Operator	03679	\$ 52,393.00	Yr.
n) Machinist	02317	\$ 63,972.00	Yr.

10. Legal

a) Solicitor	\$ 88,000.00	Yr.
b) Planning Board Solicitor	\$ 8,300.00	Yr.

11. Recreation Department: The recreation department employees will be paid by resolution adopted by the Common Council as the need arises.

12. There shall be no salary paid to the City Engineer, but he shall be paid for services actually rendered to the City at the prevailing rates set forth in an agreement or a fixed fee pursuant to a special agreement made for a particular project, but in no case shall said fee be based on a percentage of the cost of said project.

13. The Animal Control Officer shall be paid at a rate set forth in an agreement entered into for animal control services.

14. Salaries listed for Water/ Sewer Superintendents' in 9(a) and 9(b) above include \$3,000.00 for the Quinton Sewer Maintenance Agreement

15. (a) Except where otherwise provided by collective bargaining agreements, all full time employees shall be paid time and a half for all hours worked in excess of eight hours per day or forty hours per week. Overtime pay shall not apply to department heads.

(b) Employees shall be paid a shift differential in addition to their hourly rate of pay and a longevity payment where so provided in the applicable collective bargaining agreement.

(c) Payment with respect to holidays shall be paid in accordance with the terms of the applicable collective bargaining agreement.

ORDINANCE 1307

(d) Bereavement leave shall be paid in accordance with the applicable collective bargaining agreement.

(e) If an employee is on sick leave or disability leave with pay, he shall at the end of that calendar week in which the sickness or disability occurs be considered to be on the day shift Monday to Friday, forty hours per week and no overtime shall be paid.

16. All sections of Chapter 43:02 of the Municipal Code of the City of Salem inconsistent herewith are hereby repealed.

17. This ordinance shall govern salaries and wages of the City of Salem for the period from January 1, 2013 until a successor ordinance is enacted. Individual salaries shall be paid in accordance with the salary guide to be adopted by the Common Council and also in accordance with any Collective Bargaining Agreements shall govern.

18. In the case of any provisions inconsistent with the Collective Bargaining Agreements, the provisions of the Collective Bargaining Agreements shall govern. This ordinance shall take effect in the manner prescribed by law.

ATTEST:


Kathleen L. Keen, City Clerk

CITY OF SALEM


Karen L. Tuthill, Council President

Introduced: August 19, 2013

COUNCIL	MOVED	SECOND	Y	N	ABSTAIN	ABSENT
V. Groce			X			
S. Hampton		X	X			
H. Johnson	X		X			
R. Johnson						X
R. Lanard				X		
K. Roots			X			
J. Waddington			X			
K. Tuthill			X			

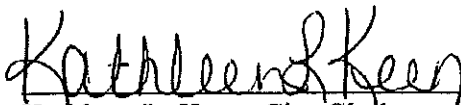
Introduced: August 19, 2013

Published: August 30, 2013

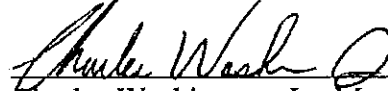
Public Hearing and Final Adoption: September 16, 2013

Final Publication: September 20, 2013

I hereby certify the foregoing Ordinance was duly adopted by The City Council at its meeting on September 16, 2013.


Kathleen L. Keen, City Clerk

APPROVED BY MAYOR:


Charles Washington, Jr., Mayor

Dated: 9-25-13



CREDIT OPINION

24 February 2016

Update

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Salem City, NJ

Update - Moody's Revises Salem, NJ's Outlook to Negative;
Affirms Ba3 GO

Summary Rating Rationale

Moody's Investors Service has affirmed the Ba3 rating on the City of Salem, NJ's General Obligation debt. The outlook has been revised to negative from stable. Concurrently, Moody's has affirmed the A3 enhanced rating on the city's Series 2012 Municipal Qualified Bond Act (MQBA) enhanced bonds. The outlook on the enhanced rating remains negative.

The affirmation of the Ba3 rating reflects the large and possibly unaffordable guaranty the city pledged for debt issued to fund an office project. The city has provided budgetary support to the project in recent years. Debt service is expected to escalate significantly beginning in 2027 and the size of the liability relative to the city's budget poses risks of significant bondholder loss in the future. The rating also encompasses the city's adequate but weakening financial position and very weak tax base and demographic profile.

The A3 enhanced rating reflects the additional security provided by the state's Municipal Qualified Bond Act (MQBA) pre-default state intercept program. The A3 rating is one notch below the State of New Jersey (A2 negative), reflecting a strong 2.8 times 2014 debt service coverage of provided by qualified state aid revenues.

Credit Strengths

- » Demonstrated willingness to honor GO guarantee

Credit Challenges

- » Long and back-loaded amortization schedule on city-guaranteed debt
- » Significant uncertainty of out-year lease payments to support debt service on city-guaranteed debt
- » Limited ability to honor GO guaranty in full
- » Limited local economy

Rating Outlook

The negative underlying outlook reflects our expectation that city operations will be significantly pressured over the next 12 to 18 months, and that the city's financial position could deteriorate further. The outlook also reflects the lack of progress in restructuring the guaranteed project in a way which would render it self-supporting.

The negative outlook assigned to the enhanced qualified bond ratings is directly linked to the state's negative outlook.

Factors that Could Lead to an Upgrade/Removal of Negative Outlook

- » Long-term prospects for city-guaranteed debt to become permanently self-sustaining
- » Demonstrated ability to meet GO guaranty if called in full
- » Significant and sustained improvement in liquidity and Current Fund balance
- » Material improvements in the city's socioeconomic profile

Factors that Could Lead to a Downgrade

- » Further deterioration in Current Fund balance and/or cash reserves
- » Material declines in the tax base or socioeconomic profile
- » Loss of tenant or increase in costs leading to large call on city GO guaranty
- » Demonstration of a lack of willingness to meet GO guaranty if called
- » Absence of positive development which would tend to render the city-guaranteed debt self-sustaining

Key Indicators

Exhibit 1

Salem (City of) NJ	2010	2011	2012	2013	2014
Economy/Tax Base					
Total Full Value (\$000)	\$ 237,308	\$ 234,663	\$ 234,024	\$ 214,060	\$ 182,725
Full Value Per Capita	\$ 46,115	\$ 45,717	\$ 46,140	\$ 42,633	\$ 36,392
Median Family Income (% of US Median)	60.8%	60.8%	61.7%	61.7%	61.7%
Finances					
Operating Revenue (\$000)	\$ 7,083	\$ 8,003	\$ 7,431	\$ 7,432	\$ 7,111
Fund Balance as a % of Revenues	28.0%	44.4%	37.4%	40.5%	30.9%
Cash Balance as a % of Revenues	28.5%	30.2%	17.4%	25.9%	22.3%
Debt/Pensions					
Net Direct Debt (\$000)	\$ 37,795	\$ 36,789	\$ 33,852	\$ 26,124	\$ 32,795
Net Direct Debt / Operating Revenues (x)	5.3x	4.6x	4.6x	3.5x	4.6x
Net Direct Debt / Full Value (%)	15.9%	15.7%	14.5%	12.2%	17.9%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	N/A	N/A	1.5x	1.7x	2.1x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	N/A	N/A	4.7%	5.9%	8.1%

Source: Moody's Investors Service

Detailed Rating Considerations

Enhanced Rating: Adequate Debt Service Provided by Qualified State Aid Revenue

The city's enhanced rating of A3 is based on the Municipal Qualified Bond Act (MQBA) pre-default intercept program. The program diverts appropriated state aid directly from the state to a paying agent for the payment of debt service before ever reaching the city. A statutory lien and trust are placed on the withheld qualified revenues. In most cases, the rating for the MQBA enhancement is notched

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

one off of the State of New Jersey's rating, and may be notched further depending on the level of maximum annual debt service coverage provided by state aid.

Qualified state aid revenues provide 3.12 times coverage. Therefore, the rating is one notch below the state's A2 GO rating.

Economy and Tax Base: Limited tax base with weak socioeconomic profile

The city's tax base will remain weak as it continues suffer from declining wealth levels and property values and elevated poverty levels. Salem, located 20 miles south of the City of Wilmington, DE (Aa2 stable) is the county seat of Salem County, NJ (A1 stable). Socioeconomic indicators in the \$149 million tax base are well below-average, with a median family income equal to 46.5% of the nation. The poverty rate is an elevated 39.4%. The five-year compound annual decrease in equalized value is 8.8% and accelerating. The tax base shrank 14.6% in 2014 and 18.2% in 2015. Management reports little in the way of new development

Due, in part, to a substantial gap between assessed and equalized values, tax appeals are a perennial occurrence. The city had over 100 appeals last year and issued a \$320,000 special emergency note to pay for them. The city has been ordered to do a revaluation which should bring assessed value closer into line with equalized value, likely reducing tax appeals.

Financial Operations and Reserves: Adequate but weakening finances

Absent larger than expected calls on the city's guarantee, the city's financial position should remain adequate in the near term. Current Fund balance decreased modestly in 2014 to \$372,000, or 5.2% of Current Fund revenues, from \$580,000, or 7.8% of revenues in 2013. Moody's makes certain adjustments to New Jersey local governments' fund balances to include receivables and reserves that would be eligible to be included in fund balance under GAAP accounting but are excluded as a result of state statutory accounting regulations. The city's Moody's-adjusted Current Fund Balance declined to \$2.2 million (30.9%) in 2014 from \$3 million (40.5%) in 2013. Ordinarily, these balances would be considered strong for a city with a budget the size of Salem's. However, given the city's high debt and the strong expectation that the city will have to pay debt service on the guaranteed bonds, the finances can only be considered adequate. Fixed costs, including debt service, pensions, and other post-employment benefits come to \$1.6 million, or 21.2% of expenditures.

Although the 2015 audit is not yet available, preliminary 2015 numbers, show reported fund balance declining to only \$72,000 while adjusted fund balance declined to \$1.7 million.

The city intends to introduce its 2016 budget in March. The details have not been settled, however, management reports that the city will ask for transitional aid from the state.

LIQUIDITY

The city's liquidity remains adequate. Fiscal 2014 ended with \$1.6 million in cash, or 22.3% of revenues. Preliminary 2015 numbers show a decline to \$850,000 or 11.8%.

Debt and Pensions: Elevated debt burden exacerbated by large guarantee

The city has taken on a liability that is disproportionate to the city's size and ability to pay, which is reflected in the very high debt burden of 17.9% of equalized value. Included in the debt burden is the entire \$19.1 million associated with the Finlaw project (see debt structure below). The Finlaw project's debt structure also presents risks in the out years, as debt service increases significantly beginning in 2028, reaching maximum annual debt service of \$1.99 million in 2029. This significant increase in debt service also coincides with the year that the state's office lease term expires, creating uncertainty about what lease revenues will be during the years of highest debt service on the bonds.

DEBT STRUCTURE

All of the city's debt is fixed rate.

In 2007, the city guaranteed bonds, issued by the Salem County Improvement Authority (SCIA), to finance a downtown office building. The bonds, while ultimately secured by the city's general obligation tax pledge, were expected to be supported by revenues generated by leasing the office space. Construction delays of the facility resulted in delayed lease payments. As such, the improvement authority has made debt service payments, in part, with funds from the Debt Service Reserve Fund. The city guarantee calls for the Debt Service

Reserve, initially funded at 125% of average annual debt service, or \$1.8 million, to be used first for any deficiency. Following six draws (\$488,000 in February 2009, \$127,000 in August 2009, \$55,000 in February 2010, \$159,000 in August 2010, \$102,000 in February 2011, and \$142,000 in August 2011), the fund has been reduced to \$772,000.

If the Debt Service Reserve Fund becomes exhausted, the city is obligated to pay debt service for the life of the bonds as there is no replenishment mechanism for the Debt Service Reserve. Under the terms of the Guaranty Agreement between the city, the SCIA and Fulton Financial Advisors, N.A. (the trustee for the transaction), if the SCIA has not deposited with the trustee sufficient funds to pay debt service 20 days into the month preceding the month in which debt service is due (February and August 15), the trustee will immediately inform the city of the deficiency. The city is then obligated to remit to the trustee an amount equal to the deficiency three business days before debt service is due. The city is obligated to take any action required for timely payment of debt service, including the unlimited increase of property taxes and the adoption of an emergency appropriation.

Since 2011, the debt service reserve fund has not been tapped. Instead, the city makes annual appropriations to cover the debt service shortfall. Favorably, from 2012-2014, the city overbudgeted, allowing the excess funds to be turned into a reserve totaling \$234,513. Preliminary 2015 numbers show a modest draw was made on this reserve, as the city budgeted \$80,000 and had to pay \$100,000.

An important risk in the structure, as we identified when we first assigned a rating to the bonds, is the fact that the anchor tenant, the State of New Jersey (A2 negative), signed a 20-year lease while the bonds amortize over 30 years, leaving funding uncertainties in the out years. Additionally, despite the recent lease and expenditure adjustments at the office building, the revenue associated with the signed leases are still insufficient to cover debt service.

The risks to the revenue stream associated with the 20-year term of the state lease, which accounts for the majority of revenue (\$914,000, or 76% of the total revenue identified), a termination of the leases before bonds mature, and previous draws on reserves have increased the likelihood that the city will have to absorb future debt service payments into the city's own budget. Given the size of the debt in relation to the city's limited resources, the city's ability to raise the required funds for debt service would have a material impact on its financial position. The bonds' maximum annual debt service is \$1.99 million, an amount equal to 51% of the 2014 property tax levy. Moody's believes this level of increase would be unmanageable given the city's limited tax base and means.

DEBT-RELATED DERIVATIVES

The city is not party to any swaps or other derivatives.

PENSIONS AND OPEB

Salem has an above-average defined-benefit pension burden, based on Moody's-estimated share of a cost-sharing plans administered by the state. Moody's adjusted net pension liability (ANPL) for the township, under our methodology for adjusting reported pension data, is \$17.6 million, or an above-average 2.47 times Current Fund revenues. The township's 2014 contribution to the retirement system was \$382,000 for the Police and Firemen's Retirement System (PFRS) and \$218,000 for the Public Employees' Retirement System (PERS). Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended to replace the township's reported liability information, but to improve comparability with other rated entities.

Management and Governance

New Jersey cities have an institutional framework score of "Aa," or strong. Revenues are moderately predictable and mostly consist of property taxes; however, cities are required to make county and school district tax levies whole in the event of tax appeals. Revenue raising ability is moderate as cities are constrained by a 2% cap on the property tax levy. Cities can raise the levy above the cap for debt service, pensions and certain qualified expenses. Expenditures, which primarily consist of personnel and public safety, are highly predictable given a 2% arbitration award cap for disputes with police and fire employees. Cities have a moderate ability to adjust costs given the presence of collective bargaining and high fixed costs.

Legal Security

The city's bonds are secured by the its general obligation unlimited tax pledge. The series 2012 bonds are additionally enhanced by the State of New Jersey's Municipal Qualified Bond Act pre-default intercept program.

Use of Proceeds

Not applicable.

Obligor Profile

Salem is the county seat of Salem County. It is located in the southwestern part of the state along across the Delaware River from the [State of Delaware](#) (Aaa stable). The city has a population of approximately 5,000.

Methodology

The principal methodology used in the underlying rating was US Local Government General Obligation Debt published in January 2014. The principal methodology used in the enhanced rating was State Aid Intercept Programs and Financings: Pre and Post Default published in July 2013. Please see the Ratings Methodologies page on www.moody.com for a copy of these methodologies.

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REPORT NUMBER 1015508

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

CITY OF SALEM POLICE AND HOUSING OFFICE VEHICLES

Police Department

1999 Ford Crown Victoria Vin# 2FAFP71W7XX180015

1999 Ford Crown Victoria Vin# 2FAFP71W0XX195584

2000 Ford Crown Victoria Vin# 2FAFP71W0YX106405

2001 Dodge Durango Vin# 1B4HS28N81F644611

2001 Ford Crown Victoria Vin# 2FAFP71WX1X197575

2001 Ford Crown Victoria Vin# 2FAFP71W01X197603

2002 Dodge Durango SLT K-9 Unit Vin# 1B4HS48N72F210631

2003 Ford Crown Victoria Vin# 2FAFP71W93X173500

2003 Ford Crown Victoria Vin# 2FAFP71W83X201870

2005 Dodge Durango Vin# 1D4HB38N05F550028

2005 Ford Crown Victoria Vin# 2FAFP71W15X158217

2008 Ford Crown Victoria Vin# 2FAFP71V08X132915

2008 Ford Crown Victoria Vin# 2FAFP71V98X132914

2008 Ford Crown Victoria Vin# 2FAFP71V88X175625

2014 Ford Explorer Vin# 1FM5K8AR9E6B20062

2016 Ford Explorer Vin# FM5K8AR4GGA01693

2016 Ford Explorer Vin# 1FM5K8AR9GGA01690

CITY OF SALEM POLICE DEPT. HOUSING & STREET DEPT. VEHICLES

Housing Office

1999 Mercury Mountaineer Vin# 4M2DU55P9XUJ05089

Street Department

1992 Chevrolet Caprice Vin# 1G1BL537XNW144688

1995 Ford F80 Recycling Vin# 1FDXF80C9SVA29374

1995 Ford F150 Pickup Vin# 1FTEF15NXSNB13331

1998 International 4700 Box Truck Vin# 1HTSCABN0WH580474

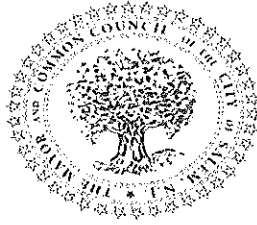
2000 Pelican Street Sweeper

2003 Ford F450 Dump Truck Vin# 1FDXF47P23ED84163

2007 Ford F650 Recycling Truck Vin# 3FRXF65RX7V543920

2007 Chevy Silverado Vin# 31GCEK14C57E564024

2008 Ford F350 Dump Truck Vin# 1FDWF37538EE39084



CITY OF SALEM
OFFICE OF THE MAYOR
CHARLES WASHINGTON, JR.
17 NEW MARKET STREET
SALEM, NJ 08079
P: (856) 935-0373

March 23, 2017

Division of Local Government Services
101 South Broad Street
Po Box 803
Trenton, NJ 08625-0803
Attn: Timothy Cunningham, Director

RE: SALEM CITY TRANSITIONAL AID APPLICATION- 2017

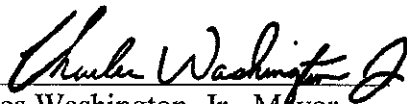
Dear Director Cunningham:

In accordance with LFN 2017-4 I am writing this letter in support of Salem City's Transitional Aid Application for 2017, which requests funding at the same level as 2016. The reason for the level funding request is outlined in detail in the application enclosed herewith; however the most compelling reason is a major reduction in tax collection resulting from the depressed real estate market where investors are no longer purchasing Salem's tax liens.

Evidence of the depressed market can be shown by the results of the city wide revaluation that took effect in 2017. The revaluation resulted in City's grand total of assessed value \$213,291,196 plummeting to \$123,956,510, a decrease of \$89,334,686. The City's total tax rate increased from \$3.916 to an estimated \$6.845, (Pre budget). The average residential property value dropped from \$95,383 to \$45,740. The revaluation company stated that the revaluation was completed with 60% non-usable sales, the highest amount they have ever encountered. The ratio before the revaluation was 150%.

The 2016 tax sale was even worse than 2015. During the 2016 tax sale there were 201 properties that totaled \$619,402 in municipal charges being offered for sale. (Taxes \$429,443 and Water / Sewer \$189,959) Of those properties 160 were struck off to the City totaling \$556,797.75 or 90%. (Taxes \$399,357.74 and Water Sewer \$157,243.01).

Sincerely,
City of Salem

By: 
Charles Washington, Jr. - Mayor